



The coverage you need at a price you can afford!

- **What is the Dirigo Health Plan?**

The Dirigo Health Plan is an affordable and quality health plan, which will be offered through an insurance company. It is a new plan design and pricing strategy “tailor fit” for Maine.

- **When will the Dirigo Health Plan be available in the marketplace?**

We are working to have the Plan available this summer. Now that we have a product design and price, Dirigo Health will soon invite insurance companies to bid on the Plan.

- **What does the Plan cover?**

The Dirigo Health Plan is a wellness plan and provides a broad array of services. Preventive services like physicals including blood testing, flu shots, mammograms, well-baby care are covered 100% without even a co-pay.

The Healthy ME Rewards Program pays \$100 to enrollees who complete a health needs questionnaire and meet goals you and your physician identify (e.g., lose some weight, join a smoking cessation program/within a year). Fitness club discounts will also help enrollees stay healthy.

- **How does the Dirigo Health Plan fit in today’s marketplace?**

The Dirigo Health Plan provides a new choice in the marketplace. Healthcare costs are growing and in response health insurance has become more expensive. To help control these costs insurers have asked consumers to become more price conscious and pay a greater share of health care costs. These high deductible plans are more affordable for many, but the required out of pocket costs are not. The Dirigo Health Plan is a new choice providing needed coverage at a more affordable price.

- **Who is eligible for the Dirigo Health Plan?**

Eligibility Definitions:

1. Eligible Business is defined as:
 - a. Business that employs at least 2 but not more than 50 eligible employees where the majority of the employees are employed in the state.
 - b. Consistent with current insurance practice, 75% of eligible employees will need to participate.
2. Eligible Employee is defined as:
 - a. Employee of an eligible business who works at least 20 hours per week. (Eligible employee does not include an employee who works on a temporary or substitute basis or who does not work more than 26 weeks annually.)
3. Eligible Individual is defined as:
 - a. A self-employed individual who works and resides in the state, and is organized as a sole proprietorship or in any other legally recognized manner in which a self-employed individual may organize.
 - b. An unemployed individual who resides in the state.
 - c. An individual employed in an eligible business that does not offer health insurance. However, individuals can not join for one year if employer drops coverage to an employer sponsored plan.
4. Dependent is defined as:
 - a. Spouse.
 - b. Unmarried child under 19 years of age.
 - c. Child who is a student under 23 years of age and is financially dependent upon a plan enrollee.
 - d. Person of any age who is the child of a plan enrollee and is disabled and dependent upon the plan enrollee.
 - e. Domestic partner as defined under Maine state law.

Consistent with the Legislation, Dirigo Health will have specific enrollment criteria for individuals. For example, individuals applying for the Dirigo Health Plan will be required to certify that their employer did not drop access to an employer sponsored benefit plan within a 12 month period. This only applies to individuals in businesses that are eligible but decline to participate in the Plan.

- **What does the Dirigo Health Plan cost?**

The Dirigo Health Plan provides a competitive alternative. Qualifying individuals and families will receive discounts that reduce both monthly payments and out of pocket expenses (deductible and out of pocket costs- please refer to the table on page 5), based on ability to pay.

Dirigo Health pools small business, self employed and individuals into a large group to better bargain for good prices. As the plan grows over time, so will its capacity to bargain for competitive prices for its members.

The Dirigo Health Plan offers multiple plans, each with tiers that reflect individual family financial circumstances. Please see below:

Projected monthly costs

Option	Employee only	Employee+Child(ren)	Employee+Spouse	Employee+Spouse +Child(ren)
Option 1 \$1250	\$282*	\$507*	\$592*	\$846*
Option 2 \$1750	\$260*	\$467*	\$545*	\$779*

***Many individuals and families will receive Discounts. These amounts will be based on ability to pay, and used to offset both monthly payments and out-of-pocket expenses.**

Please note: Consistent with Maine State small group rating regulations costs will vary based on demographics such as age, SIC, geography, size of group.

- **How much will small businesses pay for employee coverage?**

The Dirigo Health Plan is an innovative approach for employers to help employees find and maintain good affordable coverage and stay healthy. For the first time, even lowest wage workers can afford to participate in an employer's plan.

Employers will be required to pay a minimum of 60% of employee costs. Additionally, while employers will be required to offer family coverage they will only need to pay the 60% minimum of the employee only costs. Most employers who offer health insurance now pay more than 60%. This contribution rate has been set low to encourage businesses not currently offering coverage to join as well as to allow employers who now pay 80-100% of health insurance to continue to do so. Employers will be asked to pay a modest program fee (\$150-\$350/year depending on the size of your workforce).

- **What about the self-employed and individuals who don't work?**

Self-employed and Individuals are eligible to join the Dirigo Health Plan at the cost structure illustrated above. The costs will vary depending on individual economic circumstances. Individuals will be able to enroll during an annual open enrollment period.

- **How will the Dirigo Health Plan discounts work?**

Employer, employee, the self-employed and individual payments are pooled with other funds from a variety of sources to finance the Dirigo Health Plan and its discounts. Lowest wage employees and individuals will get the deepest discounts. They may have no deductibles and pay only nominal co-pays thanks to MaineCare funding. By covering some Dirigo Health Plan enrollees through MaineCare we generate Federal dollars allowing other funds in the pool to provide some level of discount to all enrollees under 300% FPL. Please refer to the table below.

- **How will the Dirigo Health Plan link with MaineCare?**

Individuals and families who enroll in the Dirigo Health Plan through their employer and meet MaineCare income guidelines may choose to enroll in both programs in order to be part of their employers' plan but still have the benefits of MaineCare – lower copays, no deductibles and some additional services.

- **What's the value for those who don't qualify for discounts?**

The Dirigo Health Plan remains an affordable, broad benefit plan in the marketplace even without discounts. Everyone receives the preventive programs and the Healthy ME Rewards Program. Employers may establish medical reimbursement accounts to supplement the Plan, allowing employees to pay out-of-pocket expenses with pre-tax dollars.

- **Why will insurers provide the Dirigo Health Plan at this price?**

Dirigo Health will expand the insurance market by helping uninsured Mainers pay for coverage.

The Plan has been carefully constructed based on employer and employee focus groups, discussions with insurers and data analysis by state and national experts. To develop a realistic price, Watson Wyatt, an independent actuarial firm, working with Mathematica Policy Research, evaluated the product and Maine's current market. Considerable work by numerous experts makes Dirigo Health competitive in today's market.

We look forward to the bidding process to identify an insurance carrier partner that will offer the Plan at or very near prices we have developed. The Dirigo Health Plan will work with the carrier on marketing activities and provide funding to help more people afford coverage. Insurance companies will commit to operating the plan at their most efficient level.

- **Where's the promised high risk pool and how will it work?**

The Dirigo Health Plan will establish a high risk pool from day one. Enrollees with high health risks or who experience chronic illness will receive care management and other help to address their health care needs.

Illustration of Deductible and Out of Pocket Costs for Plan Option 1.

<u>Dirigo Health Plan Option 1</u>	<u>Income Group</u> (please refer to the table on page 6 to determine approximately which income group you may fall into)					
	A	B	C	D	E	F
Annual Deductible						
Individual	None	\$250	\$500	\$750	\$1000	\$1250
Family	None	\$500	\$1000	\$1500	\$2000	\$2500
Coinsurance		80/20%	80/20%	80/20%	80/20%	80/20%
Out-of-Pocket Maximum						
Individual	None	\$800	\$1600	\$2400	\$3200	\$4000
Family	None	\$1600	\$3200	\$4800	\$6400	\$8000
Lifetime Max	None	None	None	None	None	None
Hospital	100%	Ded/Coin	Ded/Coin	Ded/Coin	Ded/Coin	Ded/Coin
Pharmacy	\$2.50	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40
Physician OV						
PCP	\$3	\$15/visit	\$15/visit	\$15/visit	\$15/visit	\$15/visit
Specialist		\$25/visit	\$25/visit	\$25/visit	\$25/visit	\$25/visit
Preventive Care						
<ul style="list-style-type: none"> o Immunizations o Routine Physicals o Pap Tests o Blood Tests o Mammograms o Well Baby Care 	100%	100%	100%	100%	100%	100%

The table above illustrates deductible and out of pocket costs. It does not represent the detailed schedule of benefits. Additionally, the discount percentages above are for illustrative purposes.

Income Group Determination Tables

Employee and or Employee+Spouse Contracts

Please refer to this chart to determine the appropriate group for <u>Employee and or Employee+Spouse contracts</u> . Each column represents the upper limit for household income. You must include all family members when determining size of family regardless of the number you enroll.						
Size of Family	A	B	C	D	E	F
						Greater than
1	\$11,638	\$13,965	\$18,620	\$23,275	\$27,930	\$27,930
2	\$15,613	\$18,735	\$24,980	\$31,225	\$37,470	\$37,470
3	\$19,588	\$23,505	\$31,340	\$39,175	\$47,010	\$47,010
4	\$23,563	\$28,275	\$37,700	\$47,125	\$56,550	\$56,550
5	\$27,538	\$33,045	\$44,060	\$55,075	\$66,090	\$66,090

OR

Employee+Child(ren) and or Family contracts

Please refer to this chart to determine the appropriate group for <u>Employee+Child(ren) and or Family contracts</u> . Each column represents the upper limit for household income. You must include all family members when determining size of family regardless of the number you enroll.				
Size of Family	A	D	E	F
				Greater than
2	\$24,980	\$31,225	\$37,470	\$37,470
3	\$31,340	\$39,175	\$47,010	\$47,010
4	\$37,700	\$47,125	\$56,550	\$56,550
5	\$44,060	\$55,075	\$66,090	\$66,090

Scenarios Demonstrating the Dirigo Health Plan

Lucy

- Lucy works for a small employer that offers Option 1
- She is married with one child and has an annual household income of \$23,000
- Lucy chooses to enroll her self and her child at a total cost of \$507
- Even though Lucy optioned the family coverage, Lucy's employer only needs to cover 60% of the employee only cost of \$282; therefore, the employer covers \$169 of the monthly cost
- Lucy must cover the remainder - \$338
- Lucy's bi-weekly payroll deduction is approximately \$168; however, based on her income status she is eligible for the deductible and out of pocket schedule under Group A; therefore, Lucy's monthly costs will be reimbursed by Dirigo Health
- Dirigo Health reimburses Lucy \$168 bi-weekly to help her pay the payroll deduction

John

- John works for an employer that offers Option1
- He is single, with an annual household income of \$14,500
- Total monthly cost for John to enroll is \$282
- His employer will cover 60% or \$169
- John pays \$113 per month; therefore, his bi-weekly payroll deduction is the employee standard \$56
- Dirigo Health will reimburse John \$25 (a 45% discount) every two weeks or \$50 per month
- Based on John's income, his deductible is \$500 with a \$1,600 out-of-pocket maximum